BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION) CAUSE NO. AND OF THE PROMULGATION ESTABLISHMENT OF FIELD RULES TO) DOCKET NO. GOVERN OPERATIONS FOR THE NIOBRARA FORMATION, WATTENBERG TYPE: POOLING) FIELD, WELD COUNTY, COLORADO)

APPLICATION

PDC Energy, Inc. (Operator No. 69175) ("PDC"), by and through its attorneys, Burns, Figa, & Will, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order pooling all interests within an approximate 640-acre Wellbore Spacing Unit, as further defined below, for the drilling of the Castle 1N Well (API No. 05-123-46284) ("Well"), for the development of the Niobrara Formation on the following described lands:

 Township 5 North, Range 64 West, 6th P.M.

 Section 19:
 S¹/₂S¹/₂

 Section 20:
 S¹/₂SW¹/₄, SW¹/₄SE¹/₄

 Section 29:
 N¹/₂NW¹/₄, NW¹/₄NE¹/₄

 Section 30:
 N¹/₂N¹/₂

Township 5 North, Range 65 West, 6th P.M. Section 24: SE¼SE¼ Section 25: NE¼NE¼

Weld County, Colorado, containing approximately 640.00 acres ("Application Lands")

In support of its Application, PDC states and alleges as follows:

1. PDC is a corporation duly authorized to do business in Colorado and is registered as an operator in good standing with the Commission.

2. PDC is an Owner with the right to drill into and produce from the Application Lands.

3. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well, and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore

spacing units to be established. On August 8, 2011, Rule 318A was again amended, among other things, to address drilling of horizontal wells. The $S\frac{1}{2}S\frac{1}{2}$ of Section 19, $S\frac{1}{2}SW\frac{1}{4}$, $SW\frac{1}{4}SE\frac{1}{4}$ of Section 20, $N\frac{1}{2}NW\frac{1}{4}$, $NW\frac{1}{4}NE\frac{1}{4}$ of Section 29, and the $N\frac{1}{2}N\frac{1}{2}$ of Section 30, Township 5 North, Range 64 West, 6^{th} P.M., and the $SE\frac{1}{4}SE\frac{1}{4}$ of Section 25, Township 5 North, Range 65 West, 6^{th} P.M., are subject to Rule 318A for the Niobrara Formation.

4. On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formations, the Codell Formation, and the Niobrara Formation underlying certain lands, including the S½S½ of Section 19, S½SW¼, SW¼SE¼ of Section 20, N½NW¼, NW¼NE¼ of Section 29, and the N½N½ of Section 30, Township 5 North, Range 64 West, 6th P.M., and the SE¼SE¼ of Section 24 and the NE¼NE¼ of Section 25, Township 5 North, Range 65 West, 6th P.M., with the permitted well locations in accordance with the provisions of Order 407-1.

5. On July 14, 2009, the Commission entered Order No. 407-334, which, among other things, pooled all non-consenting interests in an approximate 160-acre wellbore spacing unit for the W½NW¼ of Section 30, Township 5 North, Range 64 West, 6th P.M., and the E½NE¼ of Section 25, Township 5 North, Range 65 West, 6th P.M., for the Conagra B #30-31D Well (API No. 05-123-26997), from the Codell and Niobrara Formations. Order No. 407-334 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

6. On March 17, 2014, the Commission entered Order No. 407-985, which, among other things, pooled all non-consenting interests in an approximate 400-acre wellbore spacing unit for the SW¼SW¼ of Section 19 and the NW¼NW¼ of Section 30, Township 5 North, Range 64 West, 6th P.M., and the S½S½ of Section 24 and the N½N½ of Section 25, Township 5 North, Range 65 West, 6th P.M., for the LaSalle 25E-202 Well (API No. 05-123-37408), from the Niobrara Formation. Order No. 407-985 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

7. Also on March 17, 2014, the Commission entered Order No. 407-986, which, among other things, pooled all non-consenting interests in an approximate 320acre wellbore spacing unit for the N½ of Section 25, Township 5 North, Range 65 West, 6th P.M., for the LaSalle 25F-332 Well (API No. 05-123-37340), from the Niobrara Formation. Order No. 407-986 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

8. On September 15, 2014, the Commission entered Order No. 407-1114, which, among other things, pooled all non-consenting interests in an approximate 400-acre wellbore spacing unit for the S½SE¼ of Section 24, and the N½NE¼ of Section 25, Township 5 North, Range 65 West, 6th P.M., and the S½SW¼, SW¼SE¼ of Section 19, and the N½NW¼, NW¼NE¼ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Maxey 24Q-302 Well (API No. 05-123-37775), from the Niobrara Formation. Order

No. 407-1114 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

9. Also on September 15, 2014, the Commission entered Order No. 407-1116, which, among other things, pooled all non-consenting interests in an approximate 400-acre wellbore spacing unit for the S½SE¼ of Section 24, and the N½NE¼ of Section 25, Township 5 North, Range 65 West, 6th P.M., and the S½SW¼, SW¼SE¼ of Section 19, and the N½NW¼, NW¼NE¼ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Maxey 24Q-112 Well (API No. 05-123-37776), from the Niobrara Formation. Order No. 407-1116 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

10. On March 7, 2016, the Commission entered Order No. 407-1646, which, among other things, pooled all non-consenting interests in an approximate 720-acre wellbore spacing unit for the S½SE¼ of Section 19; S½S½ of Section 20; S½SW¼, SW¼SE¼ of Section 21; N½NW¼, NW¼NE¼ of Section 28; N½N½ of Section 29; and the N½NE¼ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Schneider 19Q-312 Well (API No. 05-123-39542), from the Niobrara Formation. Order No. 407-1646 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

11. Also on March 7, 2016, the Commission entered Order No. 407-1647, which, among other things, pooled all non-consenting interests in an approximate 720acre wellbore spacing unit for the S½SE¼ of Section 19; S½S½ of Section 20; S½SW¼, SW¼SE¼ of Section 21; N½NW¼, NW¼NE¼ of Section 28; N½N½ of Section 29; and the N½NE¼ of Section 30, Township 5 North, Range 64 West, 6th P.M., for the Schneider 19Q-202 Well (API No. 05-123-39541), from the Niobrara Formation. Order No. 407-1647 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

12. Also on March 7, 2016, the Commission entered Order No. 407-1648, which, among other things, pooled all non-consenting interests in an approximate 720acre wellbore spacing unit for the SE¼ of Section 19, S½ of Section 20, and the SW¼, W½SE¼ of Section 21, Township 5 North, Range 65 West, 6th P.M., for the Schneider 19P-332 Well (API No. 05-123-39450), from the Niobrara Formation. Order No. 407-1648 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

13. Also on March 7, 2016, the Commission entered Order No. 407-1649, which, among other things, pooled all non-consenting interests in an approximate 360acre wellbore spacing unit for the S½SE¼ of Section 19, the S½S½ of Section 20, and the S½SW¼, SW¼SE¼ of Section 21, Township 5 North, Range 64 West, 6th P.M., for the Schneider 19P-232 Well (API No. 05-123-39544), from the Niobrara Formation. Order No. 407-1649 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well. 14. Also on March 7, 2016, the Commission entered Order No. 407-1650, which, among other things, pooled all non-consenting interests in an approximate 800-acre wellbore spacing unit for the $E^{1}_{2}SW^{1}_{4}$, SE^{1}_{4} of Section 19, the S^{1}_{2} of Section 20, and the SW¹_{4}, W¹_{2}SE¹_{4} of Section 21, Township 5 North, Range 64 West, 6th P.M., for the Klein 19P-312 Well (API No. 05-123-40155), from the Niobrara Formation. Order No. 407-1650 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

15. Also on March 7, 2016, the Commission entered Order No. 407-1651, which, among other things, pooled all non-consenting interests in an approximate 800acre wellbore spacing unit for the $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$ of Section 19, the $S\frac{1}{2}$ of Section 20, and the $SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$ of Section 21, Township 5 North, Range 64 West, 6th P.M., for the Klein 19P-202 Well (API No. 05-123-40149), from the Niobrara Formation. Order No. 407-1651 is not affected by this Application, and proceeds from any shared lands will be accounted for in the production of the Well.

16. As of the date of this Application, the COGCC has not published any additional orders affecting spacing of the Application Lands.

17. PDC designated an approximate 640-acre Wellbore Spacing Unit for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation as provided by Rule 318A and notified the appropriate parties under Rule 318A.

18. Under the provisions of Rule 530 and C.R.S. § 34-60-116(6)–(7), PDC requests an order pooling all interests, including non-consenting interests and the ability to drill through all tracts, in the Application Lands for the development of the Niobrara Formation underlying an approximate 640-acre Wellbore Spacing Unit for the Castle 1N Well (API No. 05-123-46284):

 Township 5 North, Range 64 West, 6th P.M.

 Section 19:
 S¹/₂S¹/₂

 Section 20:
 S¹/₂SW¹/₄, SW¹/₄SE¹/₄

 Section 29:
 N¹/₂NW¹/₄, NW¹/₄NE¹/₄

 Section 30:
 N¹/₂N¹/₂

Township 5 North, Range 65 West, 6th P.M. Section 24: SE¼SE¼ Section 25: NE¼NE¼

Weld County, Colorado ("Wellbore Spacing Unit" in this Application)

19. PDC requests that the Commission's pooling order be made effective as of the earlier date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Castle 1N Well to the Niobrara Formation on the Application Lands.

20. PDC certifies that copies of this Application will be served on all owners of the mineral estate, as indicated and required by Rule 507.b(2), underlying the tracts of the Application Lands to be pooled within seven (7) days of the date hereof, and that at least sixty (60) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Well, and will be provided with the information required by Rule 530. The list of such Interested Parties, with all known parties to be pooled, is attached as Exhibit A.

21. In order to prevent waste and to protect correlative rights, all interests and tracts in the Wellbore Spacing Unit should be pooled for the orderly drilling and development of the Niobrara Formation.

WHEREFORE, PDC respectfully requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that the Commission enter an Order:

- A. Pooling all interests in the Application Lands and the Wellbore Spacing Unit for the development of the Niobrara Formation;
- B. Providing that the Commission's pooling order is made effective as of the earlier date of the Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Castle 1N Well in the Wellbore Spacing Unit to the Niobrara Formation on the Application Lands;
- C. Providing that the interests of any owners with whom PDC has been unable to secure a lease, other agreement to participate in the drilling of the authorized well(s), or those who consented to be pooled are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof with respect to the Castle 1N Well drilled to develop the Niobrara Formation in the Wellbore Spacing Unit comprised of the Application Lands; and
- D. Providing for such other findings and order as the Commission may deem proper or advisable in this matter.

[SIGNATURE PAGE FOLLOWS]

DATED this 29th day of August, 2018.

Respectfully submitted, PDC Energy, Inc. By:

Michael T. Jewell, Esq. #40902 Courtney M. Shephard, Esq. #47668

Burns, Figa & Will, P.C. 6400 S. Fiddler's Green Circle – Suite 1000 Greenwood Village, CO 80111

PDC Energy, Inc. Mr. Nicholas Lebsock, Regional Landman 1775 Sherman Street - Suite 3000 Denver, CO 80203

VERIFICATION

STATE OF COLORADO)	
)	SS.
COUNTY OF DENVER)	

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is a Regional Landman – PDC Energy, Inc., which address is 1775 Sherman Street, Suite 3000, Denver, CO 80203.

2. He has read the attached application for the Castle 1N Well, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

Further Affiant sayeth not.

Ronald Nicholas Lebsock

Subscribed and sworn to before me this 2011 day of August, 2018.

ELLIOT LESLIE GOLLEHON Notary Public State of Colorado Notary ID # 20094000627 My Commission Expires 01-07-2021

EXHIBIT A

Interested Parties

Castle 1N Well

"*" denotes the interested parties that <u>may</u> be subject to the statutory cost recovery provisions of C.R.S. § 34-60-116.

PDC Energy, Inc.
Cowan Oil Company*
Incline Niobrara Partners LP
Yosemite Creek Oil & Gas LLLP
Alma L. Tisher & Kelly B. Tisher, JT
Anadarko E&P Onshore LLC
Andrews Capital Holdings, LLC
Argonaut Ventures, LLC
Atomic Capital Minerals LLC
Barbara A. Welch & James E. Welch, JT
Barbara H. Irwin
Bettie Kaye Miller, a/k/a Bettie K. Miller
BLG Resources, LLC
Cade Oil and Gas, LLC
Carol E. Barrett & Ronnie A. Barrett, JT
Centennial Mineral Holdings, LLC
Clayton L. Vandergriff
Comanche Enterprises Inc.
Cynthia M. Spurlock
Cyril John Grossaint
Dale D. Thomas & Marietta E. Thomas, JT
DC Heritage Trust
De Soto Royalty Company, LLC
Dennis G. Moe & Barbara Moe, JT
Donald P. Hill Trust dated July 9, 1999
DOXA Heritage Trust
Duell Family Irrevocable Trust dated May 26, 2015
FBO Investments LLLP
Fougasse Ventures, LLC
George A. Maxey & Eloise J. Maxey, JT
Grayrock Minerals, LLC
Harvey E. Cozzens Heritage Trust
Helen Crews
Hubert T. Mowery
Incline Niobrara Partners, LP
James David Wicklatz

James H. Pluss		
Janet K. Schmidt		
Jean Marie Carpenter Mize		
Jeffrey A. Maxey & DeAnne M. Maxey, JT		
Joanne F. Hart & Gerald L. Hart, JT		
John Allen Duell		
John Herpers & Kristen Herpers, JT John P. Allen		
Johns Hopkins University		
Jon G. Danley		
Jonathan S. Roderick, Trustee of the Jonathan S. Roderick Living Trust dated		
February 8, 2007 Julius A. Pluss		
Katharine Anne Wicklatz		
Keith Joseph Grossaint		
Keith R. Maxey		
Kenneth D. Hill		
Kristin Hoch Quinn		
KRL Black River Royalty		
Larry J. Mowery		
Laura Elizabeth Leonard Insurance Trust		
Lennan Main, Ltd.		
LHB Ventures, LLC		
Linda A. Wegher		
Linda D. Danley		
Linda S. Cantrell		
Lisa J. Johnson		
LLJ Revocable Trust U/A Dated August 16, 2007, as Amended		
Lorene Anne Carpenter Putnam		
Louis A. Oswald, III, Trustee of the Oswald Family Trust dated April 27, 1998		
Louise Keffler		
Magnolia, LLC		
Marise R. Downing		
Mark Hamilton		
Martha H. Salser		
Mary K. Sheehan		
McArthur Minerals, LLC		
Mekusukey Oil Company, LLC		
Mike's Oil Well, LLC		
Monterrey Minerals, LLC		
New Direction IRA, Inc., FBO Rita A. Cassell IRA		
Noble Energy, Inc.		
Norma J. Wegher		
O. Paul Leonard, III		
Oak Prairie Oil & Gas, L.L.C.		

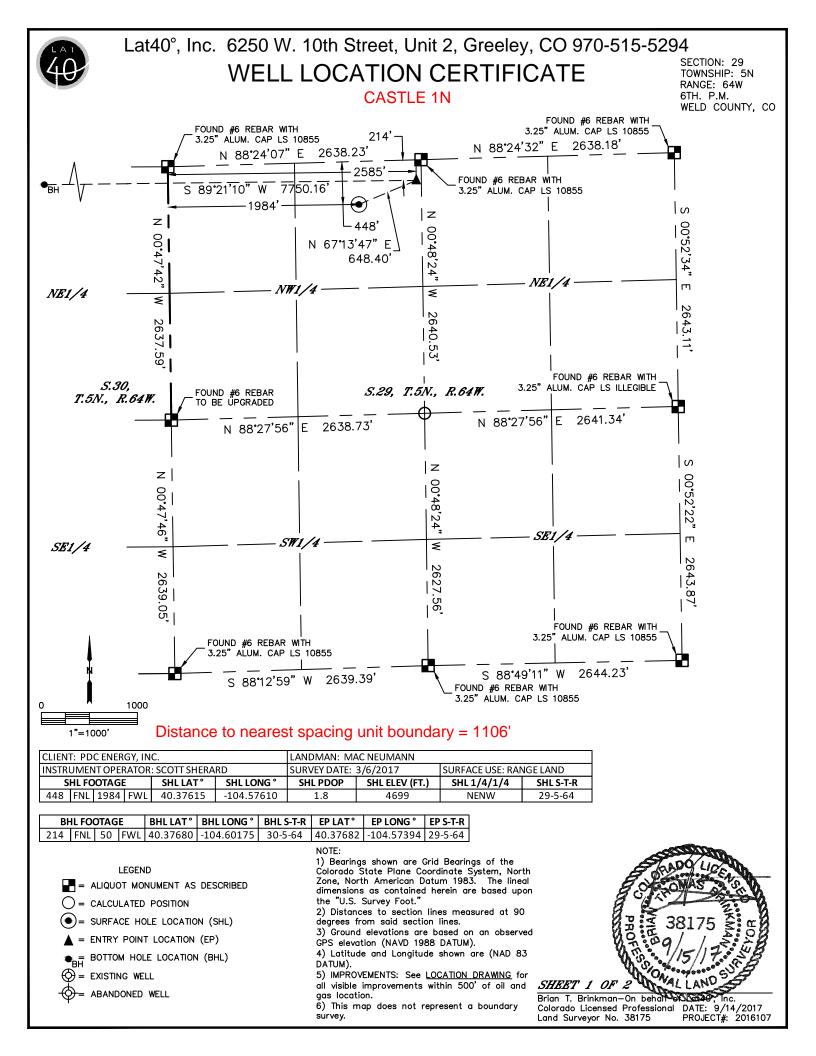
Odvesov Boveltice, LLC
Odyssey Royalties, LLC Pamela W. Wilson
Paragon Oil & Gas LLC
Paul W. Wilson
Pepco, Inc.
Pumpkin Buttes LLC
Raymond P. Mowery
Richard E. Klein
Richard Jeffrey Grossaint
Richard Lee Roesner
Richard O. Miller & Mary E. Miller, JT
ROEC, Inc.
Rose M. Pluss
Rosemary Alene Mathis
Ryland Royalty
Sam Pluss, Jr.
Sayers H. Sarran
Sharon Eileen Brandt
Sister Mary Wegher
Tall Grass Energy, LLC
The Carpenter Trust created March 16, 1990 Trust B, Joan Y. Carpenter, Trustee
The Fowler Revocable Living Trust, dated April 17, 2014, a/k/a The Fowler Revocable
Trust dated April 17, 2014
The Rita Cassell Living Trust, dated July 25, 2006
Toni L. Dengler
Trinity Resources LLC
Virginia G. Nance
Westco Family Limited Partnership

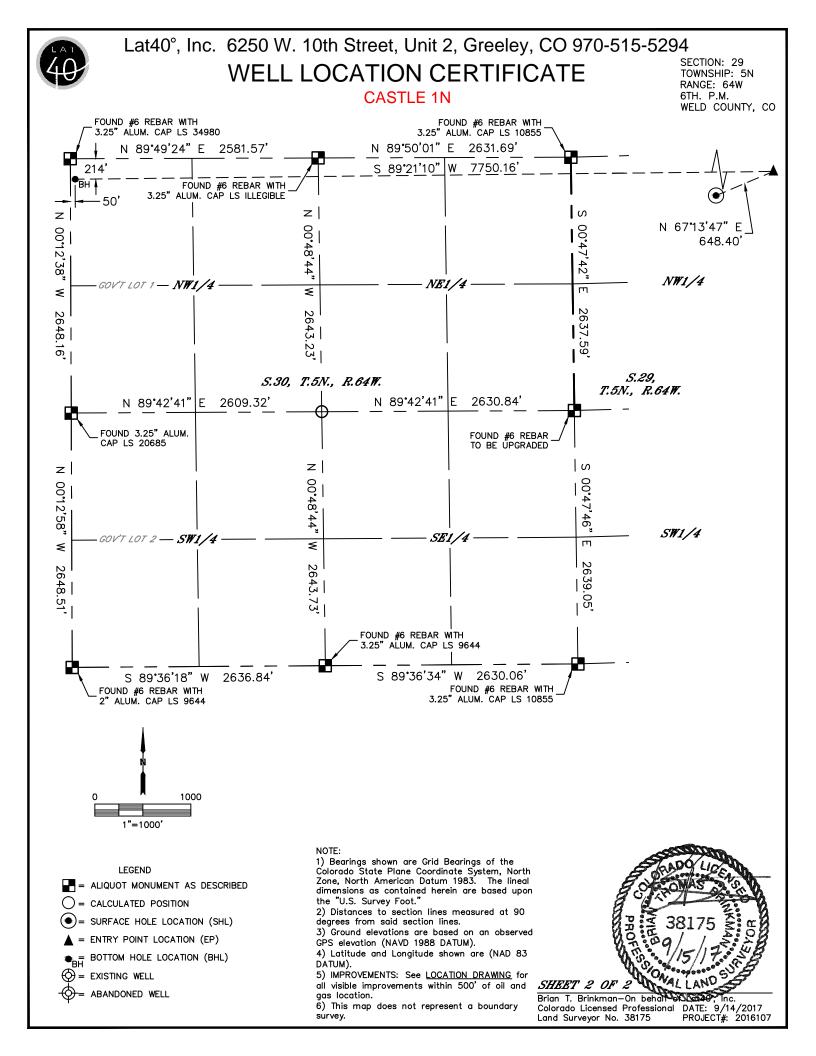
<u>EXHIBIT B</u>

Plat

Castle 1N Well

[ATTACHED]





BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION) CAUSE NO. OF THE PROMULGATION AND) ESTABLISHMENT OF FIELD RULES TO) DOCKET NO. 181000754 GOVERN **OPERATIONS** FOR THE) NIOBRARA FORMATION, WATTENBERG TYPE:) POOLING FIELD, WELD COUNTY, COLORADO)

CERTIFICATE OF SERVICE

Courtney M. Shephard, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for PDC Energy, Inc., and that on September 5, 2018, she caused a copy of the Application submitted to COGCC on August 29, 2018, to be deposited in the United States Mail, postage prepaid, addressed to the interested parties with known addresses listed on <u>Exhibit A</u> to the Application.

By: Contrey M. Shephard

Courtney M. Shephard, Esq. License #47668

Burns, Figa & Will, P.C. 6400 S. Fiddler's Green Circle – Suite 1000 Greenwood Village, CO 80111

STATE OF COLORADO)) SS.	
COUNTY OF ARAPAHOE)	
	his 6^{tr} day of September, 2018.
PARASIA OLEKSIUK NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20154021765 MY COMMISSION EXPIRES JUNE 3, 2019	lai de